GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:5895
ANSWERED ON:03.05.2000
NATIONAL PROGRAMME FOR RURAL INDUSTRIALISATION
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the attention of the Government has been drawn to the news report published in the Hindustan Times, New Delhi dated the April 6, 2000 under the caption `KVIC flays more to appoint Arthur Anderson as consultant`;

(b) if so, the facts of the matter reported therein and the reaction of the Government thereto; and

(c) the fresh steps taken by the Government to implement the National Programme for Rural Industrialisation?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES

(SMT. VASUNDHARA RAJE)

(a): Yes, Sir.

(b): In the news item published in the Hindustan Times, the following main points have been reported:-

(i) The Khadi and Village Industries Commission Officials are agitating at the Government`s move to appoint Arthur Andersen as Consultant for restructuring its activities and organizational structure.

(ii) Rs. 15 crores proposal to revive the Jamna Lal Bajaj Central Research Institute has been put in cold storage.

(iii) National Programme for Rural Industrialisation is not being implemented.

(iv) MOU is being signed by the Government with the USA based `Small Business Administration` which will be used by foreign entrepreneurs to undermine domestic SMEs.

The Government reaction on the above issue is as follows:-

(i) In view of the new economic situation, a restructuring study is being conducted by M/s. Arthur Andersen India Pvt. Ltd. to suggest measures to make the KVI sector vibrant and viable.

(ii) A proper and cost effective structure to revive Jamna Lal Bajaj Research Institute Wardha (JBCRI) is being worked out in consultation with the KVIC.

(iii) The KVIC is developing rural industrial clusters every year.

(iv) The proposed MOU with the Small Business Administration will allow both countries to benefit with exchange of latest information on new technology, new marketing opportunities and financial instruments.

(c): The Government has launched a National Programme for Rural Industrialisation under which 100 rural clusters are to be established every year. The KVIC has identified 50 rural cluster.Similarly, such clusters are also being identified and assisted by SIDO, SIDBI & NABARD.The cluster approach is aimed at helping cottage industries emerge stronger and more competitive in facing the emerging challenges.